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Managers get wrong e-business message

JIM CARROLL
DIGITAL SURVIVOR

When it comes to e-business, the messages flashing in front of the typical executive are bewildering.

One day, a headline says that yet another dot-com has collapsed. The next, a story indicates that Canada continues to fall behind in the race to the e-business future.

There's an article stating that Toronto-based retailer Holt Renfrew has decided to shut down its on-line store because of a lack of sales. A few days later, a report suggests punitive taxes continue to hamper Canada's ability to be a global leader in the field.

Amid all these signals, it is hard for senior managers to determine what they should be doing.

Despite big corporate projects and massive spending in this area, managers continue to be mystified as to the role e-business can play in achieving a company's goals. Many have yet to be persuaded that they even need an e-business strategy.

That's indicative of several problems. First, consider the theme of the Holt's story. It suggests that far too many people believe that e-commerce is all about "Internet retailing" and "on-line shopping." These perceptions stun me.

Although some retailers may not be successful selling things to consumers on-line, they will find that the way they deal with suppliers will change because of e-business.

That leads to the second point: E-commerce will mean different things to different people. What is strategically right for one organization or industry may be completely wrong for another.

E-commerce is a way of aligning a company's business strategies with the connectivity that the Internet and technology provide.

So it may make sense for an organization such as Dell, for example, to sell lots of computers direct to consumers through the Web. But it also makes sense that Holt's may learn that if people want to buy high-end clothing, they'll want to visit a store and try on the apparel.

Third, the hype often tends to obscure the real e-commerce opportunity. Today, everyone seems to be rushing about to build a "vertical industry portal" and a "B2B marketplace." I remain convinced that headlines in a year or two will report the collapse of many such initiatives.

Finally, and most importantly: Ignore the buzz that we live in a world that moves at lightning speed. Smart people know better. It took a huge amount of time and effort for companies to figure out how to integrate computer technology and information systems into their manufacturing, inventory, financial and other business processes through the past 30 years.

The process of implementing an e-commerce strategy will take an equally long time, when you consider the scope of the opportunity and the complexity of the undertaking. This is a five-, 10- or even 20-year project for many organizations. Sure, act fast, but be realistic as to what that means.

While it is one thing to dream up an e-commerce vision and strategy, it's an entirely different thing to make it work.

Jim Carroll is co-author of Light Bulbs to Yottabits: How to Profit by Understanding the Internet of the Future, and can be reached by e-mail at jcarroll@jimcarroll.com